



# **ARIZONA DEPARTMENT OF REVENUE**

## **MEMORANDUM**

**DATE:** June 21, 2004

**FROM:** THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

### ***APRIL 2004 TAX FACTS***

#### **SUMMARY OF GENERAL FUND REVENUES**

	<u>April 2004</u>	<u>Fiscal Year Total</u>
<b>Individual Income Tax</b>		
Net Collections	\$271,899,644	\$1,627,192,123
Percent Change	52.6%	15.3%
<b>Corporate Income Tax</b>		
Net Collections	\$97,368,474	\$380,556,448
Percent Change	15.9%	29.9%
<b>Transaction Privilege, Severance &amp; Use Taxes</b>		
Net Collections	\$300,747,181	\$2,731,390,691
Change	14.0%	8.5%
<b>Total Big Three Tax Types</b>		
Net Collections	\$670,015,299	\$4,739,139,262
Percent Change	27.4%	12.3%

January was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

We apologize for any inconvenience this may cause.



# TAX FACTS

April 2004

## INDIVIDUAL INCOME TAX

### Individual Income Tax Receipts

	April 2004	April 2003	% Change
Gross Collections	\$325,396,679	\$272,037,025	19.6
Withholding	186,126,178	187,450,892	(0.7)
Refunds	(209,201,116)	(245,452,913)	(14.8)
Urban Revenue Sharing	(30,422,097)	(35,879,921)	(15.2)
<b>Net Collections</b>	<b>\$271,899,644</b>	<b>\$178,155,084</b>	<b>52.6</b>

  

	Fiscal Year 2003/04	Fiscal Year 2002/03	% Change
Gross Collections	\$633,638,528	\$546,762,539	15.9
Withholding	1,941,474,870	1,921,316,229	1.0
Refunds	(643,700,309)	(698,539,887)	(7.9)
Urban Revenue Sharing	(304,220,965)	(358,799,211)	(15.2)
<b>Net Collections</b>	<b>\$1,627,192,123</b>	<b>\$1,410,739,671</b>	<b>15.3</b>

Included in the refund amounts above are refunds relating to the alternative fuel vehicle (AFV) income tax credit. In April 2004, there was no liability to off-set, therefore the total amount refunded was \$16,514.

### Individual Income Tax Document Count

In calendar year 2003, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	44,149	1,546,452	84,078	99,313	12	43,604	287,618	13,546	190,019	2,632	24	2,311,447
%	1.9	66.9	3.6	4.3	0.0	1.9	12.4	0.6	8.2	0.1	0.0	

In calendar year 2004 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	12,596	1,049,047	32,592	58,208	2	15,591	218,008	11,025	120,274	2,063	5	1,519,411
%	0.8	69.0	2.1	3.8	0.0	1.0	14.3	0.7	7.9	0.1	0.0	

The 1,519,411 returns, representing current and prior tax years, filed through April 2004 compares to 1,570,343 returns filed during the same period of time in 2003 for an annual decrease of 3.2%. For tax year 2003 filed in 2004, 1,470,366 returns have been filed, a 3.3% decrease over filings in April 2003 for tax year 2002.

### Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 1,122,088 returns in calendar year 2004 for tax year 2003 from filers who also have returns on record from calendar year 2003 with the same marital status. On average, these filers experienced a 1.8% increase in FAGI and a 2.4% increase in tax liability. More specifically, 36.5% of these filers experienced a decrease in tax liability; on average a decrease of 19.6% with a corresponding average decrease in FAGI of 34.1%. Filers with an increase in tax liability totaled 551,596 or 49.2% with an average FAGI increase of 20.8% and an average tax liability increase of 38.4%.

## **Average Individual Income Tax Refund**

	Average	Number
2004 CYTD	\$492.86	1,157,996
2003 CYTD	\$532.91	1,154,011
% Change	(7.4%)	0.3%

## **"New" Filers in Calendar Year 2003**

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2004. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 176,581 "new" returns have been filed thus far in 2004, representing approximately 211,847 persons, not including dependents. The average Federal Adjusted Gross Income for these 176,581 returns is \$18,588, with an average tax liability of \$270. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 19.3% had a married filing joint filing status, 7.5% claimed a 65 and Over Exemption and 36.4% claimed dependents.

## **Individual Income Tax Estimated Payments**

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2002 was \$295.4 million, for an average of \$1,534. An additional \$75.0 million in estimated payments came from 2001 tax returns that applied their refunds as a 2002 estimated payment, for an average of \$1,685. Estimated payments received through April 2004 for tax year 2004 are as follows:

4/04	140ES payment	\$16,455,117	Cumulative	\$18,157,214
4/03	140ES payment	\$4,359,149	Cumulative	\$7,196,972
	Percent change	277.5%		152.3%
4/04	Average payment	\$867	Cumulative	\$830
4/03	Average payment	\$776	Cumulative	\$885
	Percent change	11.7%		6.2%
4/04	Applied refund	\$8,010,488	Cumulative	\$10,170,602
3/03	Applied refund	\$10,595,174	Cumulative	\$12,714,509
	Percent change	24.4%		20.0%
Total 4/04		\$24,465,605	Cumulative	\$28,327,815
Total 4/03		\$14,954,323	Cumulative	\$19,911,481
	Percent change	63.6%		42.3%

## **Withholding**

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2003, \$544,701,458 was received for the first quarter of 2002. The latest complete quarter (15 months of information has been compiled) is the first quarter of 2003, which shows an increase of 2.7% in withholding payments over the first quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

2 <sup>nd</sup> Quarter 2003	2.7%	1 <sup>st</sup> Quarter 2004	3.5%
3 <sup>rd</sup> Quarter 2003	0.0%	2 <sup>nd</sup> Quarter 2004	(25.5%)
4 <sup>th</sup> Quarter 2003	1.7%		

Current choices for withholding are 0%, 10%, 18%, 21%, 23%, 29% or 34% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

### **Property Tax Credits**

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2004	11,647	\$4,112,037	\$353.06
Calendar Year 2003	11,615	\$3,987,024	\$343.27
% Change	0.3%	3.1%	2.9%

### **Clean Elections**

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2003:

	April 2004	Calendar Year Total
Check Off	\$1,022,410	\$2,583,313
Voluntary Donation	\$12,633	\$26,226
Number of Returns	137,156	358,843

### **Contributions on the Individual Income Tax Return**

Through April 2004, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	6,574	\$116,400	\$17.71
Child Abuse	7,443	\$137,282	\$18.44
Special Olympics	3,467	\$55,620	\$16.04
Neighbors Helping	1,988	\$26,692	\$13.43
AID to Education	398	\$33,377	\$83.86
Domestic Violence Shelter	5,258	\$103,723	\$19.73
Democratic Party	726	\$17,971	\$24.75
Republican Party	518	\$11,393	\$21.99
Libertarian Party	50	\$902	\$18.04

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## **CORPORATE INCOME TAX**

### **Corporate Income Tax Receipts**

	April 2004	April 2003	% Change
Gross Collections	\$100,133,690	\$94,116,614	6.4
Refunds	(2,765,216)	(10,102,574)	(72.6)
<b>Net Collections</b>	<b>\$97,368,474</b>	<b>\$84,014,040</b>	<b>15.9</b>

  

	Fiscal Year 2003/04	Fiscal Year 2002/03	% Change
Gross Collections	\$491,393,075	\$401,782,467	22.3
Refunds	(110,836,626)	(108,798,414)	1.9
<b>Net Collections</b>	<b>\$380,556,448</b>	<b>\$292,984,053</b>	<b>29.9</b>

### **Corporate Estimated Payments**

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

April 2004	\$50,866,241	Calendar Year Total	\$108,871,753
April 2003	\$43,097,336	Calendar Year Total	\$97,337,980
% Change	18.0%	% Change	11.8%

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for April 2004 and for the fiscal year.

Size of Payment ➔	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
April 2004	402	60	61	11	7	0	541	7.8
April 2003	385	46	57	10	4	0	502	
CY 2004	873	98	111	22	14	0	1,118	9.0
CY 2003	811	86	96	22	11	0	1,026	

### **Corporate Refunds**

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 2002/03 by corporate fiscal year. For example, in FY 2002/03, 7.0% of the refund dollars paid were for corporate fiscal years ending in 1998 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	98 & Prior	99	00	01	02	03
FY 2002/03	7.0%	6.0%	7.4%	66.3%	13.1%	0.2%
Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 2003/04	9.0%	2.3%	2.7%	77.0%	8.9%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table present information on refunds applied as estimated payments in the most recent month and for the calendar year.

April 2004	\$3,768,305	Calendar Year Total	\$32,427,080
April 2003	\$4,798,050	Calendar Year Total	\$47,551,545
% Change	(21.5%)	% Change	(31.8%)

### **Corporate Income Tax Document Count**

The Arizona Department of Revenue received 99,009 corporate returns showing a fiscal year-end of 2002. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	289	34,612	54,649	355	10,889
%	0.3	34.3	54.2	0.4	10.8

Through April 2004, 26,722 documents have been received for a fiscal year-end of 2003, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	53	11,016	11,416	107	4,130
%	0.2	41.2	42.7	0.4	15.5

The figures shown above for the 2003 returns are most meaningful when compared to 2002 returns received during the same period of time in the previous year. Through April 2003, the Arizona Department of Revenue received 53,615 documents with a fiscal year-end of 2002. Compared to 2003 documents, the department has seen a 50.2% decrease in the number of corporate returns received at this point of time in

the calendar year. **The Department is behind in processing corporate income tax returns, in part due to outsourcing problems.**

### **Urban Revenue Sharing Returned to Cities/Towns**

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2003/04 is 14.8% of net proceeds from Fiscal Year 2001/02 income tax. In addition, 15% of the amount of monies transferred from the Budget Stabilization Fund to the tax refund account of the state general fund is also be used for Urban Revenue Sharing. Amounts returned for April 2004 are shown on Table 2, at the end of this report.

## **TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES**

### **Transaction Privilege, Severance and Use Tax Receipts**

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, the computer aggregates transaction privilege and severance tax collections by category and calculates total distribution base and non-shared portions. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with prop 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	<b>April 2004</b>	<b>April 2003</b>	<b>% change</b>
Distribution Base	\$127,858,873	\$112,849,445	13.3
Non shared	235,385,557	207,538,514	13.4
Use Tax	21,263,098	17,302,149	22.9
Education Tax	44,081,148	38,577,739	14.3
Other Revenues	52,998,198	46,429,097	14.1
<b>Total Collections</b>	<b>\$481,586,875</b>	<b>\$422,696,944</b>	<b>13.9</b>

  

	<b>Fiscal Year 2003/04</b>	<b>Fiscal Year 2002/03</b>	<b>% change</b>
Distribution Base	\$1,129,151,869	\$1,050,445,734	7.5
Non shared	2,150,092,750	1,997,098,472	7.7
Use Tax	191,853,461	157,297,752	22.0
Education Tax	405,207,101	371,938,803	8.9
Other Revenues	474,074,697	437,495,795	8.4
<b>Total Collections</b>	<b>\$4,350,379,878</b>	<b>\$4,014,276,556</b>	<b>8.4</b>

### **Distribution of Transaction Privilege, Severance and Use Tax Receipts**

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with prop 301. "Other" revenues are returned to the administering authority.

	<b>April 2004</b>	<b>April 2003</b>	<b>% change</b>
Retained by State	\$300,747,181	\$263,762,436	14.0
Returned to Counties	51,795,630	45,715,310	13.3
Returned to Cities	31,964,718	28,212,361	13.3
Education Tax	44,081,148	38,577,914	11.1
Other Revenues	47,444,134	42,826,764	10.8
<b>Total Collections</b>	<b>\$424,053,856</b>	<b>\$383,154,561</b>	<b>10.7</b>

  

	<b>Fiscal Year 2003/04</b>	<b>Fiscal Year 2002/03</b>	<b>% change</b>
Retained by State	\$2,731,390,691	\$2,516,697,423	8.5
Returned to Counties	457,419,422	425,534,042	7.5
Returned to Cities	282,287,967	262,610,493	7.5
Education Tax	405,207,101	371,938,803	8.9
Other Revenues	474,074,697	437,495,795	8.4
<b>Total Collections</b>	<b>\$4,350,379,878</b>	<b>\$4,014,276,556</b>	<b>8.4</b>

### **Transaction Privilege and Severance Tax Collections By Class**

	<b>Tax Rate</b>	<b>April 2004</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting <sup>1</sup>	5.6%	\$224,547	(42.4)	2,992,520	868.6
Non-Metal Mining/Oil & Gas	3.125%	946,769	46.8	7,442,025	4.0
Utilities	5.6%	22,352,003	10.0	274,745,724	7.9
Communications	5.6%	12,105,487	(3.1)	117,868,906	(3.5)
Private Car/Pipelines	5.6%	64,721	1.3	665,529	45.9
Publishing	5.6%	591,432	(29.7)	5,313,787	(8.6)
Printing	5.6%	1,492,115	0.5	14,717,913	(19.4)
Restaurants/Bars	5.6%	35,466,926	7.9	296,365,510	8.0
Amusements	5.6%	5,299,537	23.2	34,102,123	4.9
Commercial Lease	0%	110	(92.6)	(90,189)	(2.8)
Rental of Personal Property	5.6%	15,045,924	0.1	132,032,004	(5.5)
Contracting	3.75% - 5.6%	58,822,157	25.1	542,638,738	13.6
Feed Wholesale	Repealed	0	N/A	(38)	(89.2)
Retail	5.6%	195,971,046	13.8	1,758,544,831	7.8
Mining Severance	2.5%	1,114,113	650.3	4,824,891	414.5
Timber Severance	\$2.13/\$1.51 per 1000 board ft	0	N/A	7,747	125.5
Hotel/Motel	5.5%	13,167,380	8.9	81,973,352	7.3
Membership Camping	5.6%	34,843	94.8	135,917	27.0
Use/Use Inventory	5.6%	21,263,098	22.9	191,853,461	22.0
Rental Occupancy Tax	3.0%	15,520	3.1	118,340	426.0
Jet Fuel Tax	\$.0305/\$.0105 gal	541,058	7.1	4,223,487	(12.8)
Telecommunications Devices:	1.1				
Telecom. Fund for the Deaf	----	408,882	(27.1)	4,308,729	(18.6)
School for the Deaf	----	136,294	N/A	1,101,335	N/A
Poison Control Fund	----	106,665	(48.6)	1,233,324	(37.0)
911 Wireline/Excise	\$0.37 monthly per activated service	1,125,389	238.5	11,453,942	(2.1)
911 Wireless Service	\$0.37 monthly per activated service	1,023,866	55.2	9,893,528	26.0
<b>Total</b>		<b>\$387,319,884</b>	<b>14.1</b>	<b>\$3,498,467,436</b>	<b>8.3</b>

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the Department.

<sup>1</sup> The category transporting/towing has been combined with railroads/aircraft and will now be called "Transporting".

## **Transaction Privilege and Severance Tax Taxable Sales By Class<sup>2</sup>**

	<b>April 2004</b>	<b>% Chg</b>	<b>Fiscal Year Total</b>	<b>% Chg</b>
Transporting <sup>3</sup>	\$4,490,942	(42.4)	\$59,850,409	868.6
Non-Metal Mining/Oil & Gas	30,296,623	46.8	238,144,809	4.0
Utilities	447,040,064	10.0	5,494,914,479	7.9
Communications	242,109,734	(3.1)	2,357,378,109	(3.5)
Private Car/Pipelines	1,294,420	1.3	13,310,578	45.9
Publishing	11,828,634	(29.7)	106,275,745	(8.6)
Printing	29,842,310	0.5	294,358,260	(19.4)
Restaurants/Bars	709,338,530	7.9	5,927,310,196	8.0
Amusements	105,990,746	23.2	682,042,457	4.9
Commercial Lease	6,912	(99.3)	(6,523,970)	(0.5)
Rental of Personal Property	300,918,482	0.1	2,640,640,071	(5.5)
Contracting	1,176,443,136	25.1	10,852,773,656	13.6
Feed Wholesale	0	N/A	(8,021)	89.2
Retail	3,919,420,927	13.8	35,170,896,616	7.8
Mining Severance	44,564,527	650.3	192,995,653	414.5
Timber Severance	370	N/A	3,793	702.4
Hotel/Motel	239,406,916	8.9	1,490,424,591	7.3
Membership Camping	696,854	94.8	2,718,334	27.0
Use/Use Inventory	424,402,299	23.0	3,831,766,965	22.1
Rental Occupancy Tax	517,320	3.1	3,944,651	426.0
<b>Total</b>	<b>\$7,688,609,747</b>	<b>14.2</b>	<b>\$69,353,217,380</b>	<b>8.5</b>

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. A comparison can be made of gallons of jet fuel on which Arizona jet fuel tax or jet fuel use tax was paid. In April 2003, 19,148,908 gallons of jet fuel were taxed, a 4.4% increase from the 18,336,660 reported for April 2002. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

### **Accounting Credit**

A credit equal to one percent of the amount of tax due, up to \$10,000 per calendar year, is allowed to businesses for expenses incurred during the accounting and reporting of Transaction Privilege Tax. **Due to our new processing system, the report needed to provide this data is not available.**

### **Taxable Sales by SIC Code Range**

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information for April 2004 is not yet available. Once it is available, it will be sent under separate cover.

The taxable sales by SIC (Standard Industrial Classification) Code ranges are an indicator of business occurring for that type of retail sale. Certain limitations must be understood when using this information.

### **Transaction Privilege and Severance Tax Returned to Counties**

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for April 2004 is shown in the County Share column.

<sup>2</sup>These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

<sup>3</sup> The category transporting/towing has been combined with railroads/aircraft and will now be called "Transporting".

	<b>Dist. Base Collections</b>	<b>County Share</b>	<b>% of Total</b>	<b>FYTD County Share</b>	<b>% Chg</b>
Apache	\$225,144	\$379,729	0.7	\$3,453,277	7.1
Cochise	1,896,196	938,197	1.8	8,446,254	9.0
Coconino	2,833,355	1,247,336	2.4	11,909,426	3.2
Gila	714,173	387,160	0.7	3,595,722	6.6
Graham	340,143	228,145	0.4	2,074,045	5.6
Greenlee	670,324	215,864	0.4	1,593,473	9.0
La Paz	346,872	162,787	0.3	1,391,825	9.9
Maricopa	86,547,403	33,470,784	64.6	294,104,842	7.6
Mohave	3,456,339	1,421,620	2.7	12,541,175	9.4
Navajo	1,491,868	761,492	1.5	7,175,434	3.4
Pima	18,956,665	7,765,361	15.0	68,549,427	6.2
Pinal	2,849,672	1,423,318	2.7	12,291,017	11.5
Santa Cruz	723,169	326,211	0.6	3,009,547	8.4
Yavapai	3,714,149	1,692,320	3.3	15,419,206	9.8
Yuma	3,093,404	1,375,304	2.7	11,864,751	8.5
<b>Total</b>	<b>\$127,858,873</b>	<b>\$51,795,630</b>		<b>\$457,419,422</b>	<b>7.5</b>

### **Transaction Privilege and Severance Tax Returned to Cities/Towns**

The portion of transaction privilege and severance tax returned to each incorporated city or town for April 2004 is shown on Table 3, attached to this report.

### **County Tax Collections**

The following county-imposed tax collections were received by the Department of Revenue during April 2004 and returned to the counties. County taxes in all but Coconino County are imposed at 10% of the state transaction privilege tax rate. Coconino's Excise Tax is 10% of the state rate, and its Jail Tax is 6% of the state rate. The stadium tax was imposed at 5% of the state rate. This rate completed its run in December 1997. Collections received now should be for prior periods. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	<b>Road Tax</b>	<b>Excise Tax</b>	<b>Jail Tax</b>	<b>Rental Car Surcharge</b>	<b>Stadium Tax</b>	<b>RV Surcharge</b>	<b>Hospital Tax/Health SVCS Dist</b>	<b>Capitol Projects</b>	<b>Tourism Authority</b>
Apache		\$74,391							
Cochise		\$557,310							
Coconino		\$790,520	\$474,014					\$195,695	
Gila	\$222,938	\$215,836							
Graham		\$98,496							
Greenlee		\$65,554							
La Paz		\$101,889	\$101,900				\$22,750		
Maricopa	\$26,613,428		\$9,803,753	\$657,523	\$59,072				\$2,563,655
Mohave		\$508,190							
Navajo		\$425,393							
Pima				\$163,673		\$26,200			
Pinal	\$914,248	\$892,683							
Santa Cruz		\$205,312							
Yavapai		\$1,082,406	\$540,679						
Yuma		\$899,173	\$899,117					\$897,587	

## OTHER TAXES

### Luxury Taxes

The following revenues were received from luxury taxes in April 2004. The table compares the receipts to April 2003 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	<b>April 2004</b>	<b>April 2003</b>	<b>% Change</b>
Spirituous	\$2,246,275	\$1,961,046	14.5
Vinous	1,032,803	1,051,579	(1.8)
Malt	2,189,946	1,771,510	23.6
Cigarette	24,112,431	19,397,591	24.3
Other Tobacco	732,279	587,514	20.7
Tobacco Licenses	325	225	44.4
<b>Total</b>	<b>\$30,314,060</b>	<b>\$24,769,465</b>	<b>22.4</b>

  

	<b>Fiscal Year 2003/04</b>	<b>Fiscal Year 2002/03</b>	<b>% Change</b>
Spirituous	\$19,597,660	\$18,314,324	7.0
Vinous	8,901,262	8,382,946	6.2
Malt	18,276,421	18,090,330	1.0
Cigarette*	220,702,914	159,436,357	38.4
Other Tobacco	6,519,705	4,350,221	49.9
Tobacco Licenses	3,550	3,400	4.4
<b>Total</b>	<b>\$274,001,511</b>	<b>\$208,577,578</b>	<b>31.4</b>

\*Through April 2004, \$417,300 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

### General Fund revenues from luxury taxes:

	<b>April 2004</b>	<b>Fiscal Year 2003/04</b>
Spirituous	\$1,572,393	\$13,718,362
Vinous	257,305	2,219,291
Malt	547,486	4,569,104
Cigarette	3,306,725	29,418,697
Other Tobacco	113,256	1,009,949
Tobacco Licenses	325	3,550
<b>Total</b>	<b>\$5,797,490</b>	<b>\$50,938,953</b>

### Other dedicated revenues from luxury taxes:

	<b>April 2004</b>	<b>Fiscal Year 2003/04</b>
Correction Fund revenues	\$2,585,435	\$22,183,611
Tobacco Tax & Health Care Fund <sup>4</sup>	\$8,390,777	\$76,960,744
Tobacco Products Tax Fund <sup>5</sup>	\$12,507,356	\$115,145,946
Wine Promotional Fund revenues	\$3,581	\$24,093
Drug Treatment & Education Fund revenues	\$736,689	\$6,259,482
Corrections Revolving Fund revenues	\$292,730	\$2,488,681

<sup>4</sup> Formerly the Health Care Fund

<sup>5</sup> This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

**Estate Tax**

	April 2004	\$2,813,280	Fiscal year To Date	\$32,172,933
	April 2003	<u>\$3,328,657</u>	Fiscal year To Date	<u>\$81,224,605</u>
% Change		(15.5%)	% Change	(60.4%)

**Bingo**

	April 2004	\$89,024	Fiscal year To Date	\$545,512
	April 2003	<u>\$87,290</u>	Fiscal year To Date	<u>\$548,578</u>
% Change		2.0%	% Change	(0.6%)

**Unclaimed Property**

	April 2004	\$1,454,337	Fiscal year To Date	\$33,074,322
	April 2003	<u>\$720,844</u>	Fiscal year To Date	<u>\$26,314,508</u>
% Change		101.8%	% Change	25.7%

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS, ARIZONA DEPARTMENT OF REVENUE

**TABLE 1**  
**“New” Returns Filed in 2004 for Tax Year 2003**  
**Through April 2004**

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarrie d Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	1,561	0.9%	-\$13,346	\$1	15.0%	78.6%	4.1%	2.2%	16.6%	9.3%
<b>\$0-\$5,000</b>	<b>39,174</b>	<b>22.2%</b>	<b>\$2,760</b>	<b>\$0</b>	<b>4.0%</b>	<b>83.0%</b>	<b>12.3%</b>	<b>0.7%</b>	<b>4.1%</b>	<b>18.0%</b>
\$5,000-\$10,000	39,237	22.2%	\$7,363	\$24	7.3%	71.1%	20.6%	1.0%	6.1%	29.6%
<b>\$10,000-\$15,000</b>	<b>26,244</b>	<b>14.9%</b>	<b>\$12,331</b>	<b>\$82</b>	<b>14.3%</b>	<b>53.4%</b>	<b>31.1%</b>	<b>1.2%</b>	<b>9.0%</b>	<b>43.1%</b>
\$15,000-\$20,000	18,685	10.6%	\$17,360	\$156	20.6%	45.2%	32.6%	1.6%	9.0%	47.5%
<b>\$20,000-\$25,000</b>	<b>12,685</b>	<b>7.2%</b>	<b>\$22,362</b>	<b>\$256</b>	<b>25.8%</b>	<b>39.7%</b>	<b>32.5%</b>	<b>2.1%</b>	<b>8.3%</b>	<b>50.9%</b>
\$25,000-\$30,000	8,712	4.9%	\$27,384	\$373	30.0%	37.7%	29.6%	2.6%	8.1%	50.5%
<b>\$30,000-\$40,000</b>	<b>10,934</b>	<b>6.2%</b>	<b>\$34,481</b>	<b>\$535</b>	<b>36.8%</b>	<b>36.1%</b>	<b>23.9%</b>	<b>3.2%</b>	<b>8.6%</b>	<b>48.3%</b>
\$40,000-\$50,000	6,412	3.6%	\$44,573	\$765	47.5%	31.7%	18.2%	2.6%	10.2%	48.7%
<b>\$50,000-\$75,000</b>	<b>7,823</b>	<b>4.4%</b>	<b>\$60,582</b>	<b>\$1,148</b>	<b>63.2%</b>	<b>24.0%</b>	<b>11.0%</b>	<b>1.8%</b>	<b>12.2%</b>	<b>47.3%</b>
\$75,000-\$100,000	2,901	1.6%	\$85,409	\$1,851	73.7%	18.4%	6.8%	1.1%	13.0%	45.9%
<b>\$100,000-\$200,000</b>	<b>1,926</b>	<b>1.1%</b>	<b>\$128,053</b>	<b>\$3,293</b>	<b>75.7%</b>	<b>17.3%</b>	<b>6.1%</b>	<b>0.9%</b>	<b>13.8%</b>	<b>44.6%</b>
\$200,000-\$500,000	252	0.1%	\$277,197	\$9,585	72.2%	21.8%	4.8%	1.2%	17.9%	34.9%
<b>\$500,000-\$1,000,000</b>	<b>20</b>	<b>0.0%</b>	<b>\$596,849</b>	<b>\$23,025</b>	<b>65.0%</b>	<b>30.0%</b>	<b>5.0%</b>	<b>0.0%</b>	<b>20.0%</b>	<b>50.0%</b>
\$1,000,000 and over	15	0.0%	\$1,530,489	\$55,289	60.0%	40.0%	0.0%	0.0%	6.7%	13.3%
<b>Total</b>	<b>176,581</b>		<b>\$18,588</b>	<b>\$270</b>	<b>19.3%</b>	<b>57.3%</b>	<b>22.0%</b>	<b>1.4%</b>	<b>7.5%</b>	<b>36.4%</b>

\*An asterisked line indicates that the information cannot be released due to confidentiality laws.

**NEW RETURNS FILED IN 2003 FOR TAX YEAR 2002**

<b>Total</b>	<b>220,129</b>	<b>\$20,256</b>	<b>\$329</b>	<b>20.2%</b>	<b>57.0%</b>	<b>20.6%</b>	<b>2.2%</b>	<b>7.6%</b>	<b>34.7%</b>
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

**TABLE 2**  
**Urban Revenue Sharing Returned to Cities/Towns**  
**April 2004**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	\$1,522,767	202,705
Eagar	\$30,297	4,033	Surprise	231,737	30,848
Springerville	14,814	1,972	Tempe	1,191,628	158,625
St. Johns	26,653	3,548	Tolleson	37,366	4,974
<b><u>Cochise County</u></b>			Wickenburg	38,177	5,082
Benson	35,390	4,711	Youngtown	22,612	3,010
Bisbee	45,750	6,090	<b><u>Mohave County</u></b>		
Douglas	124,125	16,523	Bullhead City	253,681	33,769
Huachuca City	13,154	1,751	Colorado City	25,046	3,334
Sierra Vista	283,775	37,775	Kingman	150,763	20,069
Tombstone	11,298	1,504	Lake Havasu City	315,048	41,938
Willcox	28,043	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	36,938	4,917
Flagstaff	397,352	52,894	Pinetop-Lakeside	26,909	3,582
Fredonia	7,783	1,036	Show Low	57,807	7,695
Page	51,151	6,809	Snowflake	33,505	4,460
Williams	21,350	2,842	Taylor	23,859	3,176
<b><u>Gila County</u></b>			Winslow	71,516	9,520
Globe	56,237	7,486	<b><u>Pima County</u></b>		
Hayden	6,701	892	Marana	101,836	13,556
Miami	14,544	1,936	Oro Valley	239,896	31,934
Payson	102,317	13,620	Sahuarita	24,355	3,242
Winkelman	3,328	443	South Tucson	41,242	5,490
<b><u>Graham County</u></b>			Tucson	3,656,197	486,699
Pima	14,942	1,989	<b><u>Pinal County</u></b>		
Safford	69,353	9,232	Apache Junction	238,994	31,814
Thatcher	30,214	4,022	Casa Grande	189,489	25,224
<b><u>Greenlee County</u></b>			Coolidge	58,490	7,786
Clifton	19,502	2,596	Eloy	77,939	10,375
Duncan	6,100	812	Florence	114,494	15,241
<b><u>La Paz County</u></b>			Kearny	16,895	2,249
Parker	23,588	3,140	Mammoth	13,237	1,762
Quartzsite	25,196	3,354	Superior	24,445	3,254
<b><u>Maricopa County</u></b>			<b><u>Santa Cruz County</u></b>		
Avondale	269,561	35,883	Nogales	156,840	20,878
Buckeye	63,831	8,497	Patagonia	6,618	881
Carefree	21,988	2,927	<b><u>Yavapai County</u></b>		
Cave Creek	28,006	3,728	Camp Verde	70,998	9,451
Chandler	1,326,518	176,581	Chino Valley	61,352	8,167
El Mirage	38,110	7,609	Clarkdale	25,707	3,422
Fountain Hills	152,010	20,235	Cottonwood	68,955	9,179
Gila Bend	14,874	1,980	Jerome	2,472	329
Gilbert	824,069	109,697	Prescott	254,950	33,938
Glendale	1,643,767	218,812	Prescott Valley	176,800	23,535
Goodyear	142,064	18,911	Sedona	76,565	10,192
Guadalupe	39,274	5,228	<b><u>Yuma County</u></b>		
Litchfield Park	28,622	3,810	San Luis	115,102	15,322
Mesa	2,988,186	397,776	Somerton	54,584	7,266
Paradise Valley	102,647	13,664	Wellton	13,740	1,829
Peoria	814,056	108,364	Yuma	583,588	77,685
Phoenix	9,923,998	1,321,045			
Queen Creek	32,423	4,316	<b>TOTAL</b>	<b>\$30,422,097</b>	<b>4,052,210</b>

**TABLE 3**  
**Transaction Privilege and Severance Tax Returned to Cities/Towns**  
**April 2004**

<b>City</b>	<b>Distribution</b>	<b>Population</b>	<b>City</b>	<b>Distribution</b>	<b>Population</b>
<b><u>Apache County</u></b>			Scottsdale	1,598,397	202,705
Eagar	\$31,802	4,033	Surprise	243,247	30,848
Springerville	15,550	1,972	Tempe	1,250,811	158,625
St. Johns	27,977	3,548	Tolleson	39,222	4,974
<b><u>Cochise County</u></b>			Wickenburg	40,073	5,082
Benson	37,148	4,711	Youngtown	23,735	3,010
Bisbee	48,022	6,090	<b><u>Mohave County</u></b>		
Douglas	130,289	16,523	Bullhead City	266,280	33,769
Huachuca City	13,807	1,751	Colorado City	26,290	3,334
Sierra Vista	297,869	37,775	Kingman	158,251	20,069
Tombstone	11,860	1,504	Lake Havasu City	330,695	41,938
Willcox	29,436	3,733	<b><u>Navajo County</u></b>		
<b><u>Coconino County</u></b>			Holbrook	38,772	4,917
Flagstaff	417,087	52,894	Pinetop/Lakeside	28,245	3,582
Fredonia	8,169	1,036	Show Low	60,678	7,695
Page	53,691	6,809	Snowflake	35,169	4,460
Williams	22,410	2,842	Taylor	25,044	3,176
<b><u>Gila County</u></b>			Winslow	75,068	9,520
Globe	59,030	7,486	<b><u>Pima County</u></b>		
Hayden	7,034	892	Marana	106,894	13,556
Miami	15,266	1,936	Oro Valley	251,810	31,934
Payson	107,398	13,620	Sahuarita	25,564	3,242
Winkelman	3,493	443	South Tucson	43,290	5,490
<b><u>Graham County</u></b>			Tucson	3,837,785	486,699
Pima	15,684	1,989	<b><u>Pinal County</u></b>		
Safford	72,797	9,232	Apache Junction	250,864	31,814
Thatcher	31,715	4,022	Casa Grande	198,900	25,224
<b><u>Greenlee County</u></b>			Coolidge	61,395	7,786
Clifton	20,470	2,596	Eloy	81,810	10,375
Duncan	6,403	812	Florence	120,180	15,241
<b><u>La Paz County</u></b>			Kearny	17,734	2,249
Parker	24,760	3,140	Mammoth	13,894	1,762
Quartzsite	26,447	3,354	Maricopa	11,686	1,482
<b><u>Maricopa County</u></b>			Superior	25,659	3,254
Avondale	282,949	35,883	<b><u>Santa Cruz County</u></b>		
Buckeye	67,002	8,497	Nogales	164,630	20,878
Carefree	23,080	2,927	Patagonia	6,947	881
Cave Creek	29,397	3,728	<b><u>Yavapai County</u></b>		
Chandler	1,392,400	176,581	Camp Verde	74,524	9,451
El Mirage	60,000	7,609	Chino Valley	64,400	8,167
Fountain Hills	159,560	20,235	Clarkdale	26,984	3,422
Gila Bend	15,613	1,980	Cottonwood	72,380	9,179
Gilbert	864,998	109,697	Jerome	2,594	329
Glendale	1,725,406	218,812	Prescott	267,612	33,938
Goodyear	149,120	18,911	Prescott Valley	185,581	23,535
Guadalupe	41,225	5,228	Sedona	80,367	10,192
Litchfield Park	30,043	3,810	<b><u>Yuma County</u></b>		
Mesa	3,136,597	397,776	San Luis	120,819	15,322
Paradise Valley	107,745	13,664	Somerton	57,295	7,266
Peoria	854,486	108,364	Wellton	14,422	1,829
Phoenix	10,416,882	1,321,045	Yuma	612,572	77,685
Queen Creek	34,033	4,316			
			<b>TOTAL</b>	<b>\$31,964,718</b>	<b>4,053,692</b>

***The Office of Economic Research & Analysis  
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